

# Asset Insurance

## Insurance for Community Spaces projects

An asset is defined as any item that is expected to last more than three years and costs over £500. The Terms & Conditions of the Community Spaces grant require all assets to be insured for the asset monitoring period (5 years, 10 years or 20 years depending on the grant size). This includes assets that have only been part-funded by Community Spaces.

### Options for applicant groups

The two options for asset insurance are as follows:

1) Where the Local Authority owns/manages the site, they will need to state on letterheaded paper (could be included in the maintenance responsibility letter) that all assets are insured and any assets that are damaged, destroyed or stolen will be repaired or replaced for the asset monitoring period. It is acceptable for the Local Authority not to have actual asset insurance, and operate a 'self-insurance' system whereby they will repair and replace at their own cost, as long as we have their commitment on file.

2) Where your group is taking the responsibility for the assets directly as the landowner, leaseholder or because the landowner is not willing to insure the assets, you will need to have asset insurance in place. We accept that your group is unlikely to have this in place when they apply at Stage 1, but it needs to be in place by the end of the grant. The asset insurance cover must be for the **full** replacement amount. This is because the primary objective in the event of damage, such as a fire, is to replace the asset.

### Asset Monitoring Period

The length of time assets need to be insured for depends on the size of your grant and the asset monitoring period. A breakdown of asset monitoring periods is provided below.

#### Grants of:

Upto £50k - 5 years

£50k - £250k - 10 years

Over £250k - 20 years

If your group does not insure for the full replacement cost, you will not be able to replace the asset.

### **What we can fund**

The cost for the initial 12 months asset insurance cover can be included in the Stage 2 application under Revenue Expenditure. For those projects that have already been approved at Stage 2, the cost can be included within the Sustainability Grant. Your group will need to fund the remaining 4, 9 or 19 years cover.

### **Where to get cover**

We cannot be seen to promote any one insurance company. We are aware that many insurance companies only offer asset insurance as part of public liability insurance. There are some companies who offer preferential rates for public liability insurance to charities, which can sometimes include community groups. We will provide any helpful hints on the Community Spaces blog, and encourage all groups to share information on this subject.

### **Asset Register**

The work carried out by your group and the Facilitator in identifying the assets for insurance cover will assist with completing the Asset Register. This has to be submitted with your final payment claim. Through the Community Spaces Terms & Conditions, your group are required to maintain this register for the asset monitoring period and update it whenever assets are replaced or disposed of. At any point during the asset monitoring period, we can request to see the register for monitoring purposes.

### **Template Asset Register**

A template Asset Register can be downloaded via the Community Spaces website. Please see: <http://www.community-spaces.org.uk/forms>

### **Information**

We would like you to share what you know about asset insurance with others. To share information and knowledge please visit the Community Spaces blog:

<http://blog.community-spaces.org.uk/2010/02/asset-insurance>